

AMENDED IN ASSEMBLY MAY 28, 2010

AMENDED IN ASSEMBLY APRIL 27, 2010

AMENDED IN ASSEMBLY MARCH 11, 2010

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL

No. 1718

Introduced by Assembly Member ~~Monning~~ Blumenfield

February 2, 2010

~~An act to amend Section 470.5 of the Business and Professions Code, relating to courts.~~ *An act to amend Sections 16182, 16183, 16200, 16202, 16211, 16211.5, and 53684 of, and to repeal and add Sections 16180 and 16213 of, the Government Code, and to amend Sections 2505, 2515, 20503, 20505, 20582, 20583, 20583.1, 20585, 20586, 20605, 20621, 20622, 20639.1, 20639.6, 20639.8, 20639.9, 20639.11, 20640.1, 20640.3, 20640.4, 20640.6, 20640.8, 20640.9, 20640.11, 20641, and 20643 of, to add Sections 20584.1, 20587, 20588, 20589, 20590, 20591, and 20648 to, to repeal Section 20623 of, to repeal Chapter 3 (commencing with Section 20625) of Part 10.5 of Division 2 of, and to repeal and add Sections 2514 and 20602 of, the Revenue and Taxation Code, relating to taxation, making an appropriation therefor.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1718, as amended, ~~Monning~~ Blumenfield. ~~Court fees. Taxation: property tax postponement.~~

The Senior Citizens and Disabled Citizens Property Tax Postponement Law, until February 20, 2009, authorized a claimant, as defined, to file a claim with the Controller to postpone the payment of ad valorem property taxes, where household income, as defined, did not exceed

specified amounts. Existing law authorized the Controller, upon approval of the claim, to either make payment directly to specified entities, or to issue the claimant a certificate of eligibility that constituted a written promise of the state to pay the amount specified on the certificate, as provided. Existing law required these payments to be made out of a specified funds appropriated to the Controller, as specified, and also required repaid property tax postponement payments be transferred, as specified, to the General Fund.

This bill would revise and recast the provisions of the Senior Citizens and Disabled Citizens Property Tax Postponement Law to, among other things, delete the Controller's authority, either to make payments directly to specified entities or to issue a property tax postponement payment on behalf of the claimant upon receipt of a specified verification from the county tax collector.

This bill would instead authorize the Controller to use moneys in the Senior Citizens and Disabled Citizens Property Tax Postponement Fund, a continuously appropriated fund that this bill would create, to make property tax postponement payments, as specified, or to pay costs incurred in administering the program or the fund. This bill would require all sums paid by the Controller to be secured by a lien, which has priority over all other subsequently filed liens. This bill would require the Controller to prescribe a maximum annual postponement loan amount, and would require the Controller to annually calculate the interest rate to be applied to a deferral made on or after January 1, 2010, as provided. This bill would require property tax postponement loan repayments, for all property tax postponement loans made after January 1, 2010, to be deposited into the fund. This bill would require the Controller to assess an annual fee of \$75 on each participant of the program for whom property taxes are deferred on or after January 1, 2010, and the proceeds of the fee to be deposited in the Senior Citizens and Disabled Citizens Property Tax Postponement Fund. By requiring moneys to be deposited within a continuously appropriated fund, this bill would make an appropriation.

This bill would also create the Property Tax Postponement Participating Local Agency Account, a trust account within the Senior Citizens and Disabled Citizens Property Tax Postponement Fund, and would require any moneys deposited in the fund by a county or city and county participating in the program to be held for in the account for 10 years from the date of their deposit. The bill would specify the annual interest rate applicable to moneys in the account. By requiring

additional moneys to be deposited within a continuously appropriated fund, this bill would make an appropriation.

This bill would prohibit a mortgagee, trustee, or other person authorized to take sale on real property due to the mortgagor's or trustor's failure to pay property taxes from filing a notice of default for 5 years following the initiation of that authorization if the mortgagor or trustor provides evidence of participation in the property tax postponement program. The bill would require the Controller to provide specified program participants with written confirmation of participation for use as evidence.

This bill would also make conforming changes to the Senior Citizens Mobilehome Property Tax Postponement Law and the Senior Citizens Possessory Interest Holder Property Tax Postponement Law.

Existing law, on and after February 20, 2009, prohibits a person from filing a claim for postponement, and prohibits the Controller from accepting applications for postponement, under the Senior Citizens and Disabled Citizens Property Tax Postponement Law.

This bill would repeal that provision.

This bill would, for the 2009–10 and 2010–11 fiscal years, authorize the tax collector to cancel any delinquent penalties owed by the claimant for those fiscal years if a postponement claim is timely filed, as specified.

The Senior Citizens Tenant-Stockholder Property Tax Postponement Law authorizes a tenant-stockholder claimant, as defined, to file with the Controller a claim to postpone the payment of ad valorem property taxes, as specified.

This bill would repeal that law and make conforming changes to related provisions.

~~Existing law requires the Administrative Office of the Courts to make monthly distributions from superior court filing fees for the support of specified dispute resolution programs established by counties. Existing law provides that the total amount to be distributed for those programs may be no more than \$8 per filing fee.~~

~~This bill would instead limit the amount to be distributed to an unspecified amount.~~

Vote: majority. Appropriation: ~~no~~-yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. The Legislature finds and declares all of the*
2 *following:*

3 *(a) Since 1977, the Senior Citizens and Disabled Citizens*
4 *Property Tax Postponement Law has helped eligible elderly and*
5 *disabled residents on fixed incomes remain in their homes by*
6 *deferring payment of property taxes until the house is sold or*
7 *ownership otherwise transferred.*

8 *(b) Suspension of the Senior Citizens and Disabled Citizens*
9 *Property Tax Postponement Law in February 2009 has exposed*
10 *participants to possible default on property taxes in December*
11 *2009 and thereafter, and has heightened fears of home*
12 *foreclosures.*

13 *(c) While counties may not force the sale of a home to collect*
14 *on delinquent property taxes for five years, no similar delay applies*
15 *to lenders that would protect the elderly and disabled who would*
16 *have participated in the property tax deferral program established*
17 *pursuant to the Senior Citizens and Disabled Citizens Property*
18 *Tax Postponement Law had it not been suspended.*

19 *SEC. 2. Section 16180 of the Government Code is repealed.*

20 ~~16180. Out of the amount appropriated to the Controller by~~
21 ~~Section 16100, the sum of twelve million seven hundred thousand~~
22 ~~dollars (\$12,700,000) for the 1977-78 fiscal year and each fiscal~~
23 ~~year thereafter is hereby made available to the Controller to pay~~
24 ~~the face amount of all certificates of eligibility for the~~
25 ~~postponement of property taxes submitted to the Controller which~~
26 ~~are signed and countersigned in the manner specified in Sections~~
27 ~~20602, 20603, 20639.6, 20640.6, and 20640.7 of the Revenue and~~
28 ~~Taxation Code.~~

29 *SEC. 3. Section 16180 is added to the Government Code, to*
30 *read:*

31 ~~16180. (a) The Senior Citizens and Disabled Citizens Property~~
32 ~~Tax Postponement Fund is hereby created in the State Treasury.~~
33 ~~Notwithstanding Section 13340, moneys in the fund are~~
34 ~~continuously appropriated to the Controller, without regard to~~
35 ~~fiscal year, for use in accordance with this chapter.~~

36 ~~(b) All expenses incurred in carrying out the provisions of this~~
37 ~~chapter and Chapter 2 (commencing with Section 20581), Chapter~~
38 ~~3.3 (commencing with Section 20639), and Chapter 3.5~~

(commencing with Section 20640) of Part 10.5 of Division 2 of the Revenue and Taxation Code shall be payable solely from the fund. No liability or obligation shall be imposed upon the state, and none shall be incurred by the Controller, beyond those authorized by this chapter or Chapter 2 (commencing with Section 20581), Chapter 3.3 (commencing with Section 20639), and Chapter 3.5 (commencing with Section 20640) of Part 10.5 of Division 2 of the Revenue and Taxation Code.

(c) The Controller may use moneys in the fund for either of the following purposes:

(1) To make property tax payments on behalf of claimants pursuant to this chapter and Chapter 2 of Part 10.5 of Division 2 of the Revenue and Taxation Code.

(2) To pay costs incurred in administering the program or the fund.

(d) Any moneys deposited into the Senior Citizens and Disabled Citizens Property Tax Postponement Fund by a participating county or city and county shall be held in a trust account which is hereby created and titled the Property Tax Postponement Participating Local Agency Account. All moneys in the account shall be nonstate moneys, be exempt from subdivision (d), and shall be used exclusively by the Controller for the purpose specified in paragraph (1) of subdivision (c).

(e) Deposits into the Participating Local Agency Account shall not be subject to claim by the participating local agency until 10 years after the date of deposit into the account. The Controller shall credit to each subaccount in the account an annual interest rate equal to the 5 percent per annum or an amount calculated using the interest rate on the United States Treasury's 10-year bond note at the date of deposit plus 2 percent, whichever is higher which shall be repaid 10 years after the deposit date. If money in a subaccount is used for the purpose specified in paragraph (1) of subdivision (c), interest shall continue to be credited as provided in this subdivision.

(f) Deposits into the Participating Local Agency Account authorized by resolution of a county board of supervisors shall be deemed consistent with prudent financial management pursuant to Section 53637 of the Government Code, and a prudent investment of public funds pursuant to Sections 27000.3 and 27000.5 of the Government Code.

1 (g) *The aggregate amount deposited into the Participating Local*
2 *Agency Account shall not exceed thirty million dollars*
3 *(\$30,000,000) annually.*

4 (h) *The Controller shall be responsible for maintaining the*
5 *account and shall maintain a separate subaccount for each deposit*
6 *made.*

7 (i) (1) *Except for amounts appropriated by the Legislature for*
8 *the Controller's costs to administer the program in its initial year,*
9 *moneys deposited into this fund shall be from non-General Fund*
10 *revenue sources and any repayment made to a participating local*
11 *agency of any principal and interest shall be made exclusively*
12 *from this fund and shall not be a General Fund obligation.*

13 (2) *Property tax postponement payments repaid pursuant to the*
14 *Senior Citizens and Disabled Citizens Property Tax Postponement*
15 *law as it existed on February 19, 2009, shall continue to be*
16 *transferred to the General Fund.*

17 SEC. 4. *Section 16182 of the Government Code is amended*
18 *to read:*

19 16182. (a) All sums paid by the Controller under the provisions
20 of this chapter, together with interest thereon, shall be secured by
21 a lien in favor of the State of California upon the real property or
22 a mobilehome for which property taxes have been postponed, or
23 both. In the case of a residential dwelling which is part of a larger
24 parcel taxed as a unit, such as a duplex, farm, or multipurpose or
25 multidwelling building, the lien shall be against the entire tax
26 parcel. *Notwithstanding any other law to the contrary, this lien*
27 *shall have the same priority as a county property tax lien, as*
28 *described in Section 2192.1 of the Revenue and Taxation Code.*

29 (b) In the case of real property:

30 (1) The lien shall be evidenced by a notice of lien for postponed
31 property taxes executed by the Controller, or the authorized
32 delegate of the Controller, and shall secure all sums paid or owing
33 pursuant to this chapter, including amounts paid subsequent to the
34 initial payment of postponed taxes on the real property described
35 in the notice of lien.

36 (2) The notice of lien may bear the facsimile signature of the
37 Controller. Each signature shall be that of the person who shall be
38 in the office at the time of execution of the notice of lien; provided,
39 however, that such notice of lien shall be valid and binding

1 notwithstanding any such person having ceased to hold the office
2 of Controller before the date of recordation.

3 (3) The form and contents of the notice of lien for postponed
4 property taxes shall be prescribed by the Controller and shall
5 include, but not be limited to, the following:

6 (A) The names of all record owners of the real property for
7 which the Controller has advanced funds for the payment of real
8 property taxes.

9 (B) A description of the real property for which real property
10 taxes have been paid.

11 (C) The identification number of the notice of lien which has
12 been assigned the lien by the Controller.

13 (4) The notice of lien shall be recorded in the office of the
14 county recorder for the county in which the real property subject
15 to the lien is located.

16 (5) The recorded notice of lien shall be indexed in the Grantor
17 Index to the names of all record owners of the real property and
18 in the Grantee Index to the Controller of the State of California.

19 (6) After the notice of lien has been duly recorded and indexed,
20 it shall be returned by the county recorder to the office of the
21 Controller. The recorder shall provide the county tax collector with
22 a copy of the notice of lien which has been recorded by the
23 Controller.

24 (7) From the time of recordation of a notice of lien for postponed
25 property taxes, a lien shall attach to the real property described
26 therein and shall have the priority of a judgment lien for all
27 amounts secured thereby, except that the lien shall remain in effect
28 until either of the following occurs:

29 (A) It is released by the Controller in the manner prescribed by
30 Section 16186.

31 (B) The foreclosure or sale of an obligation secured by a lien
32 which is senior in priority to the lien of the State of California.

33 (c) In the case of mobilehomes:

34 (1) The lien shall be evidenced by a notice of lien for postponed
35 property taxes executed by the Controller, or the authorized
36 delegate of the Controller, and shall secure all sums paid or owing
37 pursuant to this chapter.

38 (2) The notice of lien may bear the facsimile signature of the
39 Controller. The signature shall be that of the person who is in the
40 office at the time of execution of the notice of lien. However, the

1 notice of lien is valid and binding notwithstanding the person
2 having ceased to hold the office of Controller before the date of
3 filing.

4 (3) The form and contents of the notice of lien for postponed
5 property taxes shall be prescribed by the Controller and shall
6 include, but not be limited to, all of the following:

7 (A) The name or names of the registered owner or owners, legal
8 owner or owners, if different than the registered owner or owners
9 and the names, if any, of all junior lienholders.

10 (B) The identification number of the notice of lien which has
11 been assigned the lien by the Controller.

12 (4) The notice of lien shall be transmitted to the Department of
13 Housing and Community Development at its office in Sacramento,
14 California.

15 (5) Upon receipt of the notice of lien for postponed property
16 taxes from the Controller, the Department of Housing and
17 Community Development shall amend the permanent title record
18 of the mobilehome to reflect that the property taxes on the
19 mobilehome are subject to postponement.

20 (6) The Department of Housing and Community Development
21 shall provide the Controller with an ~~acknowledgement~~
22 *acknowledgment* of receipt and amendment of the permanent title
23 record.

24 (7) From the time the Department of Housing and Community
25 Development receives the notice of lien from the Controller, the
26 department shall impose a moratorium on any other amendments
27 to the permanent title record of the mobilehome for purposes of
28 transferring any ownership interest or transferring or creating any
29 security interest in the mobilehome, until released by the Controller
30 in the manner prescribed by Section 16186 or an authorization for
31 the amendments is given by the Controller in writing.

32 (d) From the time of filing a notice of lien, a lien shall attach to
33 the mobilehome for which eligibility for the postponement of
34 property taxes has been granted.

35 (e) Notwithstanding any other provision in this section, any
36 action required of a local agency by this section in order to give
37 effect to the Senior Citizens Mobilehome Property Tax
38 Postponement Law (Chapter 3.3 (commencing with Section 20639)
39 of Part 10.5 of Division 2 of the Revenue and Taxation ~~Code~~

1 *Code*), and that has been determined by the Commission on State
2 Mandates to be a reimbursable mandate, shall be optional.

3 *SEC. 5. Section 16183 of the Government Code is amended to*
4 *read:*

5 16183. (a) ~~(1)~~—From the time a payment is made pursuant to
6 Section 16180, the amount of that payment shall bear interest at a
7 rate (not compounded), determined as follows:

8 (1) For the period ending June 30, 1984, the rate of interest shall
9 be 7 percent per annum.

10 ~~(2) The Controller shall establish an adjusted rate of interest for~~
11 ~~the purpose of this subdivision not later than July 15th of any year~~
12 ~~if the effective annual yield of the Pooled Money Investment~~
13 ~~Account for the prior fiscal year is at least a full percentage point~~
14 ~~more or less than the interest rate which is then in effect. The~~
15 ~~adjusted rate of interest shall be equal per annum to the effective~~
16 ~~annual yield earned in the prior fiscal year by the Pooled Money~~
17 ~~Investment Account rounded to the nearest full percent, and shall~~
18 ~~become effective for new deferrals, beginning on July 1, 1984,~~
19 ~~and on July 1 of each immediately succeeding year.~~

20 ~~(3) The rate of interest provided pursuant to this subdivision for~~
21 ~~the first fiscal year commencing after payment is made pursuant~~
22 ~~to Section 16180 shall apply for that fiscal year and each fiscal~~
23 ~~year thereafter until these postponed property taxes are repaid.~~

24 *(2) The Controller shall establish for program participants a*
25 *rate of interest equal to 7 percent per annum, unless a higher rate*
26 *is calculated at the interest rate based on the United States*
27 *Treasury's 10-year bond note at the time the Controller approves*
28 *a participant's application plus 4 percent, rounded to the nearest*
29 *full percent. The adjusted rate of interest shall be calculated no*
30 *later than July 15 of any year. The interest rate shall become*
31 *effective for new deferrals, beginning on January 1, 2010, and on*
32 *January 1 of each immediately succeeding year.*

33 *(3) For deferrals made prior to January 1, 2010, the rate of*
34 *interest provided pursuant to this subdivision for the first year*
35 *commencing after payment is made pursuant to Section 16180*
36 *shall apply for that fiscal year and each fiscal year thereafter until*
37 *those postponed property taxes are repaid.*

38 *(4) For deferrals made on or after January 1, 2010, the rate of*
39 *interest shall be adjusted annually, pursuant to paragraph (2).*

(b) The interest provided for in subdivision (a) shall be applied beginning the first day of the month following the month in which that payment is made and continuing on the first day of each month thereafter until that amount is paid. In the event that any payments are applied, in any month, to reduce the amount paid pursuant to Section 16180, the interest provided for herein shall be applied to the balance of that amount beginning on the first day of the following month.

(c) In computing interest in accordance with this section, fractions of a cent shall be disregarded.

(d) For the purpose of this section, the time a payment is made shall be deemed to be the ~~time a certificate of eligibility is countersigned by the tax collector or the delinquency date of the respective tax installment, whichever is later~~ date the Controller issues the property tax postponement payment to the county.

(e) The Controller shall include on forms supplied to claimants pursuant to Sections 20621, 20630.5, 20639.9, 20640.9, and 20641 of the Revenue and Taxation Code, a statement of the interest rate which shall apply to amounts postponed for the fiscal year to which the form applies.

(f) *The Controller shall assess an annual fee of seventy-five dollars (\$75) to all claimants, as defined in Section 20505 of the Revenue and Taxation Code, approved to participate in the property tax postponement program and for whom property taxes are deferred on or after January 1, 2010.*

(g) *Amounts collected pursuant to this section shall be deposited into the Senior Citizens and Disabled Citizens Property Tax Postponement Fund for expenditures in the manner provided in Section 16180.*

SEC. 6. *Section 16200 of the Government Code is amended to read:*

16200. In the event that the Controller receives the notice described in Section 16187 of this code or Section 3375 of the Revenue and Taxation Code, the Controller may take any of the following actions which will best serve the interests of the state:

(a) ~~Out of the amount appropriated by Section 16100, the Legislature or otherwise deposited into the Senior Citizens and Disabled Citizens Property Tax Postponement Fund, the Controller may pay the amount of any delinquent taxes, interest, or penalties on the property or the amount of any other obligation secured by~~

1 a lien or encumbrance on the property and add such amount to the
2 amount secured by the lien on such property provided for in Article
3 1 (commencing with Section 16180) of this chapter.

4 (b) Notify by United States mail the tax collector or other party
5 that such notice has been received and that the Controller must be
6 given at least 20 days prior notice of the date that the property will
7 be sold at auction. If the Controller elects to proceed under this
8 subdivision, the Controller may use ~~funds appropriated by Section~~
9 ~~16100~~ *moneys in the Senior Citizens and Disabled Citizens*
10 *Property Tax Postponement Fund, or from any appropriation in*
11 *lieu thereof*, to bid on the property at the auction up to the amount
12 secured by the state's lien on the property and any lien on such
13 property having priority over the state's lien. All additional
14 amounts paid pursuant to this subdivision shall be added to the
15 amount secured by the lien on such property provided for in Article
16 1 (commencing with Section 16180) of this chapter.

17 (c) Acknowledge by United States mail that the notice required
18 by Section 16187 of this code or Section 3375 of the Revenue and
19 Taxation Code has been received.

20 *SEC. 7. Section 16202 of the Government Code is amended to*
21 *read:*

22 16202. (a) Notwithstanding any other provision of law, in the
23 event that the state acquires an interest in real property pursuant
24 to subdivision (b) of Section 16200, the Controller may, in addition
25 to the options provided in Section 16201, take any other action
26 with respect to that real property interest as will best serve the
27 interest of the state. These actions may include, but shall not be
28 limited to, the sale, lease, or retention of any interest so acquired.
29 The Controller may contract with licensed real estate brokers,
30 maintenance and repair contractors, security contractors, appraisers,
31 property managers, insurance brokers, and any other experts or
32 specialists as may be necessary to protect or preserve the state's
33 interest in that property. The Controller may pay the costs incurred
34 pursuant to those contracts ~~out of the amount appropriated by~~
35 ~~Section 16100~~ *from moneys in the Senior Citizens and Disabled*
36 *Citizens Property Tax Postponement Fund, or from any*
37 *appropriation in lieu thereof.*

38 ~~The~~

39 (b) *The* sale of those interests may be made on the basis of
40 conventional financing arrangements including the securing of

1 payment through the use of promissory notes, deeds of trust, and
2 other accepted methods of deferred payment.

3 *SEC. 8. Section 16211 of the Government Code is amended to*
4 *read:*

5 16211. The claimant under Chapter 2 (commencing with
6 Section 20581), Chapter ~~3 (commencing with Section 20625),~~
7 Chapter 3.3 (commencing with Section ~~20639~~ 20639), or Chapter
8 3.5 (commencing with Section 20640) of Part 10.5 of Division 2
9 of the Revenue and Taxation Code whose residential dwelling was
10 sold or condemned may draw upon the amount in the account to
11 purchase a new residential dwelling, and the amount so drawn
12 shall be secured by a new lien against the new residential dwelling
13 from the time the Controller records the new lien against the new
14 residential dwelling as provided for under Section 16182.

15 In the case of real property, the Controller shall subordinate the
16 new lien to the lien of the note and deed of trust of the purchase
17 money obligations used in the acquisition of the new residential
18 dwelling, provided the claimant has an equity of at least 20 percent
19 of the full value of the property, as required by paragraph (1) of
20 subdivision (b) of Section 20583 of the Revenue and Taxation
21 Code, prior to recordation of that subordination. The lien shall
22 have priority over all subsequent liens, except as provided in
23 Section 2192.1 of the Revenue and Taxation Code.

24 *SEC. 9. Section 16211.5 of the Government Code is amended*
25 *to read:*

26 16211.5. (a) In the event that the real property securing the
27 state's lien provided for in Article 1 (commencing with Section
28 16180) is the residential dwelling of a claimant under Chapter 2
29 (commencing with Section 20581) of Part 10.5 of Division 2 of
30 the Revenue and Taxation Code and is voluntarily sold, the funds
31 derived from the voluntary sale of the residential dwelling shall
32 be placed in an impound account for a period of six months. In
33 connection with the establishment of such account, the Controller
34 shall release the state's lien in the manner prescribed by Section
35 16186.

36 (b) The claimant under Chapter 2 (commencing with Section
37 20581) of Part 10.5 of Division 2 of the Revenue and Taxation
38 Code whose residential dwelling was voluntarily sold may draw
39 upon the amount in the account to purchase a new residential
40 dwelling, and the amount so drawn shall be secured by a new lien

1 against the new residential dwelling from the time the Controller
2 records the new lien against the new residential dwelling as
3 provided for under Section 16182.

4 The Controller shall subordinate such new lien to the note and
5 deed of trust of the purchase money obligations used in the
6 acquisition of the new residential dwelling, provided the claimant
7 has an equity of at least 20 percent of the full value of the property,
8 as required by paragraph (1) of subdivision (b) of Section 20583
9 of the Revenue and Taxation Code, prior to recordation of such
10 subordination. Such lien shall have priority over all subsequent
11 liens, ~~except as provided in Section 2192.1 of the Revenue and~~
12 ~~Taxation Code.~~

13 *SEC. 10. Section 16213 of the Government Code is repealed.*

14 ~~16213. At the end of the six-month period specified in Section~~
15 ~~16210 or the six-month period specified in Section 16211.5, all~~
16 ~~funds remaining in an impound account shall be transferred to the~~
17 ~~General Fund.~~

18 *SEC. 11. Section 16213 is added to the Government Code, to*
19 *read:*

20 *16213. (a) For all property tax postponement loans made after*
21 *January 1, 2010, payments for amounts owed pursuant to Article*
22 *1 (commencing with Section 16180) shall be deposited into the*
23 *Senior Citizens and Disabled Citizens Property Tax Postponement*
24 *Fund.*

25 *(b) For all property tax postponement loans made before*
26 *December 31, 2009, payments for amounts owed pursuant to*
27 *Article 1 (commencing with Section 16180) shall be placed into*
28 *an impound account, as specified in either Section 16210 or*
29 *16211.5, and shall be transferred to the General Fund at the end*
30 *of the applicable six-month period.*

31 *SEC. 12. Section 53684 of the Government Code is amended*
32 *to read:*

33 *53684. (a) Unless otherwise provided by law, if the treasurer*
34 *of any local agency, or other official responsible for the funds of*
35 *the local agency, determines that the local agency has excess funds*
36 *which are not required for immediate use, the treasurer or other*
37 *official may, upon the adoption of a resolution by the legislative*
38 *or governing body of the local agency authorizing the investment*
39 *of funds pursuant to this section and with the consent of the county*
40 *treasurer, deposit the excess funds in the county treasury for the*

1 purpose of investment by the county treasurer pursuant to Section
2 16180, 53601, or 53635.

3 (b) The county treasurer shall, at least quarterly, apportion any
4 interest or other increment derived from the investment of funds
5 pursuant to this section in an amount proportionate to the average
6 daily balance of the amounts deposited by the local agency and to
7 the total average daily balance of deposits in the investment pool.
8 In apportioning and distributing that interest or increment, the
9 county treasurer may use the cash method, the accrual method, or
10 any other method in accordance with generally accepted accounting
11 principles.

12 Prior to distributing that interest or increment, the county
13 treasurer may deduct the actual costs incurred by the county in
14 administering this section in proportion to the average daily balance
15 of the amounts deposited by the local agency and to the total
16 average daily balance of deposits in the investment pool.

17 (c) The county treasurer shall disclose to each local agency that
18 invests funds pursuant to this section the method of accounting
19 used, whether cash, accrual, or other, and shall notify each local
20 agency of any proposed changes in the accounting method at least
21 30 days prior to the date on which the proposed changes take effect.

22 (d) The treasurer or other official responsible for the funds of
23 the local agency may withdraw the funds of the local agency
24 pursuant to the procedure specified in Section 27136.

25 (e) Any moneys deposited in the county treasury for investment
26 pursuant to this section are not subject to impoundment or seizure
27 by any county official or agency while the funds are so deposited.

28 (f) This section is not operative in any county until the board
29 of supervisors of the county, by majority vote, adopts a resolution
30 making this section operative in the county.

31 (g) It is the intent of the Legislature in enacting this section to
32 provide an alternative procedure to Section 51301 for local agencies
33 to deposit money in the county treasury for investment purposes.
34 Nothing in this section shall, therefore, be construed as a limitation
35 on the authority of a county and a city to contract for the county
36 treasurer to perform treasury functions for a city pursuant to Section
37 51301.

38 *SEC. 13. Section 2505 of the Revenue and Taxation Code is*
39 *amended to read:*

1 2505. (a) Except as provided in subdivision (b), the tax
2 collector or treasurer for any city or county may in his or her
3 discretion accept negotiable paper in payment of any tax, or
4 assessment, or on a redemption.

5 (b) The tax collector of a county shall accept a ~~certificate of~~
6 ~~eligibility to property tax postponement payment from the~~
7 ~~Controller issued pursuant to Section 20602 to~~ pay all or any part
8 of any ad valorem property tax, special assessment, or other charge
9 or user fee appearing on the county tax bill. The tax collector,
10 treasurer, or other official charged with the duty of collecting taxes
11 for a chartered city which levies and collects its own property taxes
12 shall accept a ~~certificate of eligibility property tax postponement~~
13 ~~payment from the Controller issued pursuant to Section 20602 to~~
14 pay all or any part of any ad valorem property tax, special
15 assessment, or other charge or user fee appearing on the tax bill
16 of such city. A certificate for partial payment shall not be accepted
17 unless accompanied by an amount sufficient to fully pay the
18 remaining ad valorem property taxes, special assessment, or other
19 charge or fee appearing on the respective tax bill installment.

20 (c) Except as provided in Chapter 2 (commencing with Section
21 20581), Chapter ~~3.3~~ 3.3 (commencing with Section 20639),
22 Chapter 3.5 (commencing with Section 20640), or Chapter 4
23 (commencing with Section 20641) of Part 10.5 of Division 2, a
24 certificate of eligibility shall not be used to pay any delinquent
25 taxes, assessments, penalties, costs, fees, or interest, or any
26 redemption charges.

27 (d) For the 1978–79 fiscal year and thereafter, except as to those
28 amounts which can be paid by a certificate pursuant to subdivision
29 (c), the tax collector shall not accept a certificate of eligibility to
30 pay all or part of any installment if tendered after the delinquency
31 date thereof, unless accompanied by an amount sufficient to fully
32 pay any delinquent taxes, assessments, costs, penalties, interest,
33 fees or other charges resulting from the delinquency or
34 delinquencies.

35 (e) In no event shall a certificate of eligibility be accepted later
36 than the expiration date designated thereon.

37 *SEC. 14. Section 2514 of the Revenue and Taxation Code is*
38 *repealed.*

39 ~~2514. (a) Upon receipt of a certificate of eligibility described~~
40 ~~in Section 20602, Section 20639.6, or Section 20640.6 signed by~~

1 the claimant, the claimant's spouse, or authorized agent appointed
2 under regulations adopted by the Controller pursuant to Section
3 20603 or Section 20640.7, the tax collector shall ascertain whether
4 the amount of money entered on the certificate by such claimant
5 or agent, when added to other amounts available for such purpose,
6 are sufficient to pay the amount due and owing.

7 If such is the case, the tax collector or his or her designee shall
8 countersign the certificate and mark the tax paid. Once signed and
9 countersigned, a certificate of eligibility shall be deemed a
10 negotiable instrument for purposes of all laws of this state, as
11 specified in subdivision (d) of Section 20602. Upon acceptance
12 of such a certificate:

13 (1) The tax collector shall enter the fact that taxes on the
14 property have been postponed in appropriate columns on the roll.
15 In the case of the secured roll, this information may be entered in
16 that portion of the roll which has been designated for tax default
17 information required by Section 3439.

18 (2) In the case of a certificate of eligibility issued pursuant to
19 Section 20602, the tax collector shall determine if the property
20 described in the certificate of eligibility is subject to a lien recorded
21 pursuant to Section 16182 of the Government Code. If the property
22 is not subject to such a lien, the tax collector shall enter the amount
23 paid by use of the certificate, the date of such payment, the
24 Controller's identification number shown on the certificate of
25 eligibility, the address of the property covered by the certificate,
26 and the name of the claimant as shown on the certificate on a
27 "notice of lien for postponed property taxes" form which shall be
28 provided by the Controller. The tax collector shall thereafter
29 forward such notice of lien form to the assessor.

30 (3) With respect to a claimant whose property taxes are paid by
31 a lender from an impound, trust, or other type of account described
32 in Section 2954 of the Civil Code, the tax collector shall notify
33 the auditor of the claimant's name and address, and the amount of
34 money entered on the certificate.

35 The auditor, treasurer, or disbursing officer shall send a check
36 in the amount of money entered on the certificate to said claimant
37 within 30 days following the date on which the installment is paid
38 by the lender or the certificate of eligibility is received from the
39 claimant, whichever is later.

1 ~~(b) The procedures established by this chapter shall not be~~
2 ~~construed to require a lender to alter the manner in which a lender~~
3 ~~makes payment of the property taxes of such claimant.~~

4 ~~(c) Notwithstanding any other provision in this section, any~~
5 ~~action required of a local agency by this section in order to give~~
6 ~~effect to the Senior Citizens Mobilehome Property Tax~~
7 ~~Postponement Law (Chapter 3.3 (commencing with Section 20639)~~
8 ~~of Part 10.5 of Division 2, and that has been determined by the~~
9 ~~Commission on State Mandates to be a reimbursable mandate,~~
10 ~~shall be optional.~~

11 *SEC. 15. Section 2514 is added to the Revenue and Taxation*
12 *Code, to read:*

13 *2514. (a) Upon receipt of a property tax postponement*
14 *payment from the Controller issued pursuant to Section 20602,*
15 *the tax collector shall ascertain whether the amount of the property*
16 *tax postponement from the Controller, when added to other*
17 *amounts available for such purpose, is sufficient to pay the amount*
18 *due and owing.*

19 *If such is the case, the tax collector or his or her designee shall*
20 *process the property tax postponement payment from the Controller*
21 *and mark the tax paid. Upon acceptance of the property tax*
22 *postponement payment from the Controller:*

23 *(1) The tax collector shall enter the fact that taxes on the*
24 *property have been postponed in appropriate columns on the roll.*
25 *In the case of the secured roll, this information may be entered in*
26 *that portion of the roll that has been designated for tax default*
27 *information required by Section 3439.*

28 *(2) In the case of a property tax postponement payment issued*
29 *pursuant to Section 20602, the tax collector shall determine if the*
30 *property is subject to a property tax postponement lien recorded*
31 *pursuant to Section 16182 of the Government Code. If the property*
32 *is not subject to such a lien, the tax collector shall enter the address*
33 *of the property, the name of the claimant, the county code, and the*
34 *assessor's parcel number on a "notice of lien for postponed*
35 *property taxes" form which shall be provided by the Controller.*
36 *The tax collector shall thereafter forward the notice of lien form*
37 *to the assessor.*

38 *(3) With respect to a claimant whose property taxes are paid*
39 *by a lender from an impound, trust, or other type of account*
40 *described in Section 2954 of the Civil Code, the tax collector shall*

1 notify the auditor of the claimant's name and address and the
2 amount of the property tax postponement payment.

3 The auditor, treasurer, or disbursing officer shall send a check
4 in the amount of the property tax postponement payment to the
5 claimant within 30 days following the date on which the installment
6 is paid by the lender or the property tax postponement payment is
7 received from the Controller; whichever is later.

8 (b) The procedures established by this chapter shall not be
9 construed to require a lender to alter the manner in which a lender
10 makes payment of the property taxes of such claimant.

11 (c) Notwithstanding any other provision in this section, any
12 action required of a local agency by this section in order to give
13 effect to the Senior Citizens Mobilehome Property Tax
14 Postponement Law (Chapter 3.3 (commencing with Section 20639)
15 of Part 10.5 of Division 2), and that has been determined by the
16 Commission on State Mandates to be a reimbursable mandate,
17 shall be optional.

18 SEC. 16. Section 2515 of the Revenue and Taxation Code is
19 amended to read:

20 2515. (a) Upon receipt of a "notice of lien for postponed
21 property taxes" from the tax collector, the assessor shall
22 immediately:

23 (1) Enter, on the notice of lien, a description of the real property
24 for which the taxes have been paid by ~~use of a certificate of~~
25 ~~eligibility~~ the Controller pursuant to Section 2514. Such description
26 shall be a "metes and bounds," "lot-block-tract," or ~~such~~ any other
27 description as is determined by the Controller to sufficiently
28 describe the real property for the purpose of securing the state's
29 lien.

30 (2) Enter on the notice of lien, the names of all record owners
31 of the property described under subdivision (a) ~~of this section~~, as
32 disclosed by the assessor's records.

33 (3) Upon entry of the information required by subdivisions (a)
34 and (b) ~~of this section~~ on the notice of lien, the assessor shall
35 immediately forward the notice of lien to the county recorder.

36 (4) Enter on the assessment records applicable to ~~such~~ the
37 property, the fact that the taxes on the property have been
38 postponed and the Controller's identification number, and shall,
39 when ~~such~~ the record reveals a change in the ownership status of
40 the property subsequent to the date of entry of the postponement

1 information thereon, notify the Controller of ~~such~~ *the* change in
2 the ownership status in the manner prescribed by the Controller.

3 (b) From the time of recordation of the notice of lien pursuant
4 to Section 16182 of the Government Code, the lien for postponed
5 property taxes shall be deemed to impart constructive notice of
6 the contents thereof to subsequent purchasers, mortgagees, lessees,
7 and other lienors.

8 *SEC. 17. Section 20503 of the Revenue and Taxation Code is*
9 *amended to read:*

10 20503. (a) "Income" means adjusted gross income as defined
11 in Section 17072 plus all of the following cash items:

- 12 (1) Public assistance and relief.
- 13 (2) Nontaxable amount of pensions and annuities.
- 14 (3) Social security benefits (except Medicare).
- 15 (4) Railroad retirement benefits.
- 16 (5) Unemployment insurance payments.
- 17 (6) Veterans' benefits.
- 18 (7) Exempt interest received from any source.
- 19 (8) Gifts and inheritances in excess of three hundred dollars
20 (\$300), other than transfers between members of the household.
21 Gifts and inheritances include noncash items.
- 22 (9) Amounts contributed on behalf of the contributor to a
23 tax-sheltered retirement plan or deferred compensation plan.
- 24 (10) Temporary workers' compensation payments.
- 25 (11) Sick leave payments.
- 26 (12) Nontaxable military compensation as defined in Section
27 112 of the Internal Revenue Code.
- 28 (13) Nontaxable scholarship and fellowship grants as defined
29 in Section 117 of the Internal Revenue Code.
- 30 (14) Nontaxable gain from the sale of a residence as defined in
31 Section 121 of the Internal Revenue Code.
- 32 (15) Life insurance proceeds to the extent that the proceeds
33 exceed the expenses incurred for the last illness and funeral of the
34 deceased spouse of the claimant. "Expenses incurred for the last
35 illness" includes unreimbursed expenses paid or incurred during
36 the income calendar year and any expenses paid or incurred
37 thereafter up until the date the claim is filed. For purposes of this
38 paragraph, funeral expenses shall not exceed five thousand dollars
39 (\$5,000).

1 (16) If an alternative minimum tax is required to be paid
2 pursuant to Chapter 2.1 (commencing with Section 17062) of Part
3 10, the amount of alternative minimum taxable income (whether
4 or not cash) in excess of the regular taxable income.

5 (17) Annual winnings from the California Lottery in excess of
6 six hundred dollars (\$600) for the current year.

7 (b) For purposes of this chapter, total income shall be determined
8 for the calendar year (or approved fiscal year ending within that
9 calendar year) which ends within the fiscal year for which
10 assistance is claimed.

11 ~~(e) For purposes of Chapter 2 (commencing with Section 20581),~~
12 ~~Chapter 3 (commencing with Section 20625), and Chapter 3.5~~
13 ~~(commencing with Section 20640), total income shall be~~
14 ~~determined for the calendar year ending immediately prior to the~~
15 ~~commencement of the fiscal year for which postponement is~~
16 ~~claimed.~~

17 *SEC. 18. Section 20505 of the Revenue and Taxation Code is*
18 *amended to read:*

19 20505. ~~“Claimant” means an individual who—~~

20 ~~(a) For~~

21 20505. For purposes of this chapter, “claimant” means an
22 individual who was either (1) 62 years of age or older on the last
23 day of the calendar year or approved fiscal year designated in
24 subdivision (b) ~~or (c)~~ of Section 20503, ~~whichever is applicable,~~
25 or (2) blind or disabled, as defined in Section 12050 of the Welfare
26 and Institutions Code on the last day of the calendar year or
27 approved fiscal year designated in subdivision (b) of Section 20503,
28 who was a member of the household, and who was either: (1) the
29 owner and occupier of a residential dwelling on the last day of the
30 year designated in subdivision (b) ~~or (c)~~ of Section 20503, or (2)
31 the renter of a rented residence on or before the last day of the year
32 designated in subdivision (b) of Section 20503. An individual who
33 qualifies as an owner-claimant may not qualify as a renter-claimant
34 for the same year.

35 ~~(b) (1) For purposes of Chapter 2 (commencing with Section~~
36 ~~20581), Chapter 3 (commencing with Section 20625), Chapter 3.3~~
37 ~~(commencing with Section 20639), and Chapter 3.5 (commencing~~
38 ~~with Section 20640) was a member of the household and either an~~
39 ~~owner-occupant, or a tenant stockholder occupant, or a possessory~~
40 ~~interestholder occupant, or a mobilehome owner-occupant, as the~~

1 case may be, of the residential dwelling as to which postponement
2 is claimed on the last day of the year designated in subdivision (b)
3 or (c) of Section 20503, and who was 62 years of age or older by
4 December 31 of the fiscal year for which postponement is claimed.

5 (2) For purposes of Chapter 2 (commencing with Section
6 20581), Chapter 3 (commencing with Section 20625), Chapter 3.3
7 (commencing with Section 20639), and Chapter 3.5 (commencing
8 with Section 20640) was a member of the household and an
9 owner-occupant of the residential dwelling as to which
10 postponement is claimed on the last day of the year designated in
11 subdivision (c) of Section 20503, and who was blind or disabled,
12 as defined in Section 12050 of the Welfare and Institutions Code,
13 at the time of application or on December 10 of the fiscal year for
14 which postponement is claimed, whichever is earlier.

15 (e) Where amounts have been postponed for any given fiscal
16 year and the claimant continues to own and occupy the residential
17 dwelling on December 31 of the calendar year in which the fiscal
18 year begins, and the claimant sells the dwelling and buys a new
19 residential dwelling in this state on or before December 31 of the
20 following fiscal year and the new dwelling is the claimant's
21 principal place of residence, then in that event, the claimant shall
22 be deemed to be a qualified claimant for the purpose of this section.
23 These regulations shall become effective immediately upon filing
24 with the Secretary of State.

25 *SEC. 19. Section 20582 of the Revenue and Taxation Code is*
26 *amended to read:*

27 20582. Unless the context otherwise requires, the definitions
28 given in Chapter 1 (commencing with Section 20501) of this part
29 and in this article *this chapter* shall govern the construction of *this*
30 ~~chapter~~ Chapter 2 (commencing with Section 20581), Chapter 3.3
31 (commencing with Section 20639), Chapter 3.5 (commencing with
32 Section 20640), and Chapter 4 (commencing with Section 20641).

33 *SEC. 20. Section 20583 of the Revenue and Taxation Code is*
34 *amended to read:*

35 20583. (a) "Residential dwelling" means a dwelling occupied
36 as the principal place of residence of the claimant, and so much
37 of the land surrounding it as is reasonably necessary for use of the
38 dwelling as a home, owned by (1) the claimant, (2) the claimant
39 and spouse, or by the claimant and either another individual eligible
40 for postponement under this chapter or an individual described in

1 ~~subdivision (a), (b), or (c) of Section 20511~~ *the claimant's spouse,*
2 *(3) the claimant and parents, children (natural or adopted), or*
3 *grandchildren of either the claimant or the claimant's spouse, (4)*
4 *the claimant and the spouse of any parent, child (natural or*
5 *adopted), or grandchild of either the claimant or the claimant's*
6 *spouse, or (5) the claimant and another individual eligible for*
7 *postponement under this chapter and located in this state. It shall*
8 *include condominiums and mobilehomes that are assessed as realty*
9 *for local property tax purposes. It also includes part of a*
10 *multidwelling or multipurpose building and a part of the land upon*
11 *which it is built. In the case of a mobilehome not assessed as real*
12 *property that is located on land owned by the claimant, "residential*
13 *dwelling" includes the land on which the mobilehome is situated*
14 *and so much of the land surrounding it as reasonably necessary*
15 *for use of the mobilehome as a home. It shall also include a*
16 *dwelling unit that is a mobilehome owned by a claimant subject*
17 *to property taxation pursuant to Part 13 (commencing with Section*
18 *5800) of Division 1 and located on land that is owned or rented*
19 *by the claimant.*

20 (b) As used in this chapter in reference to ownership interests
21 in residential dwellings, "owned" includes (1) the interest of a
22 vendee in possession under a land sale contract provided that the
23 contract or memorandum thereof is recorded and only from the
24 date of recordation of the contract or memorandum thereof in the
25 office of the county recorder where the residential dwelling is
26 located, (2) the interest of the holder of a life estate provided that
27 the instrument creating the life estate is recorded and only from
28 the date of recordation of the instrument creating the life estate in
29 the office of the county recorder where the residential dwelling is
30 located, but "owned" does not include the interest of the holder of
31 any remainder interest or the holder of a reversionary interest in
32 the residential dwelling, (3) the interest of a joint tenant or a tenant
33 in common in the residential dwelling or the interest of a tenant
34 where title is held in tenancy by the entirety or a community
35 property interest where title is held as community property, and
36 (4) the interest in the residential dwelling in which the title is held
37 in trust, as described in subdivision (d) of Section 62, provided
38 that the Controller determines that the state's interest is adequately
39 protected.

1 (c) For purposes of this chapter, the registered owner of a
2 mobilehome shall be deemed to be the owner of the mobilehome.

3 (d) Except as provided in subdivision (c), ~~and Chapter 3~~
4 ~~(commencing with Section 20625)~~, ownership must be evidenced
5 by an instrument duly recorded in the office of the county where
6 the residential dwelling is located.

7 (e) “Residential dwelling” does not include any of the following:

8 (1) Any residential dwelling in which the owners do not have
9 an equity of at least ~~20~~ 30 percent of the full value of the property
10 as determined for purposes of property taxation or at least ~~20~~ 30
11 percent of the fair market value as determined by the Controller
12 and where the Controller determines that the state’s interest is
13 adequately protected. The ~~20-percent~~ 30-percent equity
14 requirement shall be met at the time the claimant or authorized
15 agent files an initial postponement claim and ~~tenders to the tax~~
16 ~~collector the initial certificate of eligibility described in Sections~~
17 ~~20602, 20639.6, and 20640.6 for each subsequent year of~~
18 ~~participation thereafter prior to the Controller issuing payment~~
19 ~~as prescribed in Section 20602.~~

20 (2) Any residential dwelling in which the claimant’s interest is
21 held pursuant to a contract of sale or under a life estate, unless the
22 claimant obtains the written consent of the vendor under the
23 contract of sale, or the holder of the reversionary interest upon
24 termination of the life estate, for the postponement of taxes and
25 the creation of a lien on the real property in favor of the state for
26 amounts postponed pursuant to this act.

27 (3) Any residential dwelling on which the claimant does not
28 receive a secured tax bill.

29 (4) Any residential dwelling in which the claimant’s interest is
30 held as a possessory interest, except as provided in Chapter 3.5
31 (commencing with Section 20640).

32 ~~(f) Notwithstanding subdivision (e) of Section 20584, houseboats~~
33 ~~and floating homes, as defined by Section 20583.1, on which~~
34 ~~property taxes are delinquent at the time the application for~~
35 ~~postponement under this chapter is made, shall not be eligible for~~
36 ~~postponement.~~

37 *SEC. 21. Section 20583.1 of the Revenue and Taxation Code*
38 *is amended to read:*

39 20583.1. For purposes of Section 20583, “residential dwelling”
40 ~~includes shall not include~~ houseboats and floating homes.

1 SEC. 22. Section 20584.1 is added to the Revenue and Taxation
2 Code, to read:

3 20584.1. The Controller shall prescribe a maximum annual
4 postponement loan amount.

5 SEC. 23. Section 20585 of the Revenue and Taxation Code is
6 amended to read:

7 20585. Postponement shall not be allowed under this chapter
8 ~~or Chapter 3 (commencing with Section 20625), Chapter 3.3~~
9 (commencing with Section 20639), or Chapter 3.5 (commencing
10 with Section 20640) if household income exceeds either of the
11 following amounts:

12 (a) For the 1976 calendar year or for any approved fiscal year
13 commencing within that calendar year, household income shall
14 not exceed twenty thousand dollars (\$20,000).

15 (b) For all subsequent calendar years and approved fiscal years,
16 postponement shall not be allowed under this chapter, ~~Chapter 3~~
17 ~~(commencing with Section 20625), Chapter 3.3~~ (commencing with
18 Section 20639), or Chapter 3.5 (commencing with Section 20640)
19 if household income exceeds an amount determined as follows:

20 (1) On or before March 1 of each year, the California
21 Department of Industrial Relations shall transmit to the Controller
22 the percentages of increase in the California Consumer Price Index
23 for all Urban Consumers and in the California Consumer Price
24 Index for Urban Wage Earners and Clerical Workers of December
25 of the prior calendar year over December of the preceding calendar
26 year.

27 (2) The Controller shall compute an inflation adjustment factor
28 by adding 100 percent to the larger of the California Consumer
29 Price Index percentage increases furnished pursuant to paragraph
30 (1).

31 (3) In 1978, the Franchise Tax Board shall multiply twenty
32 thousand dollars (\$20,000) by the inflation adjustment factor to
33 determine the maximum allowable gross household income for
34 the 1977 calendar year and for approved fiscal years commencing
35 within that calendar year. In 1979 and subsequent calendar years
36 through and including 1983, the Controller shall multiply the
37 maximum allowable household income determined for the
38 preceding calendar year by the inflation adjustment factor to
39 determine the maximum allowable household income for the
40 applicable calendar year and approved fiscal years commencing

1 within that calendar year. In determining the maximum allowable
2 household income pursuant to this section, the Controller shall
3 round that amount to the nearest hundred dollar amount.

4 (c) For calendar year 1984 and subsequent calendar years and
5 for approved fiscal years commencing within those years,
6 postponement shall not be allowed under this chapter, Chapter-3
7 (~~commencing with Section 20626~~), Chapter 3.3 (commencing with
8 Section 20639), or Chapter 3.5 (commencing with Section 20640),
9 if household income exceeds an amount determined as follows:

10 (1) For claimants who filed and qualified in the calendar year
11 1983 and for whom postponement has been allowed for each
12 subsequent calendar year up to and including the calendar year
13 2007, thirty-four thousand dollars (\$34,000). For these same
14 claimants, for the calendar year 2008 or for any approved fiscal
15 year commencing within that calendar year, household income
16 shall not exceed thirty-five thousand five hundred dollars
17 (\$35,500).

18 (2) For all other claimants, for calendar years up to and including
19 2006, household income shall not exceed twenty-four thousand
20 dollars (\$24,000). For these same claimants, for the 2007 calendar
21 year or for any approved fiscal year commencing within that
22 calendar year, household income shall not exceed thirty-one
23 thousand five hundred dollars (\$31,500). For these same claimants,
24 for the 2008 calendar year or for any approved fiscal year
25 commencing within that calendar year, household income shall
26 not exceed thirty-five thousand five hundred dollars (\$35,500).

27 (3) (A) For all claimants for the calendar year 2009 or for any
28 approved fiscal year commencing within that calendar year,
29 postponement shall not be allowed under this chapter, Chapter-3
30 (~~commencing with Section 20626~~), Chapter 3.3 (commencing with
31 Section 20639), or Chapter 3.5 (commencing with Section 20640),
32 if household income exceeds ~~thirty-nine~~ *thirty-five* thousand *five*
33 *hundred* dollars-~~(\$39,000)~~ (\$35,500).

34 (B) For the 2010 calendar year and each subsequent calendar
35 year, and for any approved fiscal year commencing within that
36 calendar year, the household income amount specified in
37 subparagraph (A) shall be adjusted for inflation, in accordance
38 with an inflation factor determined pursuant to paragraphs (1) and
39 (2) of subdivision (b).

1 *SEC. 24. Section 20586 of the Revenue and Taxation Code is*
2 *amended to read:*

3 20586. (a) For the purposes of Chapter 2 (commencing with
4 Section 20581), Chapter ~~3 (commencing with Section 20625),~~
5 Chapter 3.3 (commencing with Section 20639), and Chapter 3.5
6 (commencing with Section 20640), only one claimant per
7 household each year shall be entitled to postponement. When two
8 or more individuals in a household are qualified as claimants, they
9 may determine who the claimant shall be. Such decision is
10 irrevocable. If the individuals are unable to agree, the matter shall
11 be determined by the Controller and his *or her* decision shall be
12 final.

13 (b) *Except as provided in Section 16190 of the Government*
14 *Code and, notwithstanding any law, any amounts paid by the*
15 *Controller in the county during a calendar year pursuant to the*
16 *property tax postponement program together with any accrued*
17 *interest shall be repaid by the claimant to the state no later than*
18 *June 30 of the year following the expiration of the 10 year period.*
19 *A claimant's continued participation in the program shall be*
20 *conditioned upon compliance with this subdivision.*

21 *SEC. 25. Section 20587 is added to the Revenue and Taxation*
22 *Code, to read:*

23 20587. (a) *For the purposes of this chapter "income" means*
24 *adjusted gross income as defined in Section 17072 plus all of the*
25 *following cash items:*

- 26 (1) *Public assistance and relief.*
- 27 (2) *Nontaxable amount of pensions and annuities.*
- 28 (3) *Social security benefits (except Medicare).*
- 29 (4) *Railroad retirement benefits.*
- 30 (5) *Unemployment insurance payments.*
- 31 (6) *Veterans' benefits.*
- 32 (7) *Exempt interest received from any source.*
- 33 (8) *Gifts and inheritances in excess of three hundred dollars*
34 *(\$300), other than transfers between members of the household.*
35 *Gifts and inheritances include noncash items.*
- 36 (9) *Amounts contributed on behalf of the contributor to a*
37 *tax-sheltered retirement plan or deferred compensation plan.*
- 38 (10) *Temporary workers' compensation payments.*
- 39 (11) *Sick leave payments.*

1 (12) Nontaxable military compensation as defined in Section
2 112 of the Internal Revenue Code.

3 (13) Nontaxable scholarship and fellowship grants as defined
4 in Section 117 of the Internal Revenue Code.

5 (14) Nontaxable gain from the sale of a residence as defined in
6 Section 121 of the Internal Revenue Code.

7 (15) Life insurance proceeds to the extent that the proceeds
8 exceed the expenses incurred for the last illness and funeral of the
9 deceased spouse of the claimant. “Expenses incurred for the last
10 illness” includes unreimbursed expenses paid or incurred during
11 the income calendar year and any expenses paid or incurred
12 thereafter up until the date the claim is filed. For purposes of this
13 paragraph, funeral expenses shall not exceed five thousand dollars
14 (\$5,000).

15 (16) If an alternative minimum tax is required to be paid
16 pursuant to Chapter 2.1 (commencing with Section 17062) of Part
17 10, the amount of alternative minimum taxable income (whether
18 or not cash) in excess of the regular taxable income.

19 (17) Annual winnings from the California Lottery in excess of
20 six hundred dollars (\$600) for the current year.

21 (b) The total household income shall not include amounts
22 deducted for a net business loss, net rental loss, net capital loss,
23 or other net losses, amounts deducted for depreciation, or other
24 noncash expenses.

25 (c) For purposes of Chapter 2 (commencing with Section 20581)
26 and Chapter 3.5 (commencing with Section 20640), total income
27 shall be determined for the calendar year ending immediately prior
28 to the commencement of the fiscal year for which postponement
29 is claimed.

30 SEC. 26. Section 20588 is added to the Revenue and Taxation
31 Code, to read:

32 20588. “Household income” means all income received by all
33 persons of a household while members of the household. In the
34 case of a nonresident claimant, “household income” also includes
35 all income of the claimant during the year without regard to source.

36 SEC. 27. Section 20589 is added to the Revenue and Taxation
37 Code, to read:

38 20589. (a) “Claimant” means an individual who is either of
39 the following:

1 (1) For purposes of this chapter was either (1) 62 years of age
2 or older on the last day of the calendar year or approved fiscal
3 year designated in subdivision (b) or Section 20587, or (2) blind
4 or disabled, as defined in Section 12050 of the Welfare and
5 Institutions Code on the last day of the calendar year or approved
6 fiscal year designated in subdivision (b) of Section 20587, who
7 was a member of the household, and who was (1) the owner and
8 occupier of a residential dwelling on the last day of the year
9 designated in subdivision (b) or (c) of Section 20503, or (2) the
10 renter of a rented residence on or before the last day of the year
11 designated in subdivision (b) of Section 20503. An individual who
12 qualifies as an owner-claimant may not qualify as a
13 renter-claimant for the same year.

14 (2) (A) For purposes of this chapter, Chapter 3.3 (commencing
15 with Section 20639), and Chapter 3.5 (commencing with Section
16 20640) was a member of the household and either an
17 owner-occupant, or a possessory interestholder occupant, or a
18 mobilehome owner-occupant, as the case may be, of the residential
19 dwelling as to which postponement is claimed and who was 62
20 years of age or older by December 31 of the fiscal year for which
21 postponement is claimed.

22 (B) For purposes of this chapter, Chapter 3.3 (commencing
23 with Section 20639), and Chapter 3.5 (commencing with Section
24 20640) was a member of the household and an owner-occupant
25 of the residential dwelling as to which postponement is claimed
26 and who was blind or disabled, as defined in Section 12050 of the
27 Welfare and Institutions Code, at the time of application or on
28 December 10 of the fiscal year for which postponement is claimed,
29 whichever is earlier.

30 (b) Where amounts have been postponed for any given fiscal
31 year and the claimant continues to own and occupy the residential
32 dwelling on December 31 of the calendar year in which the fiscal
33 year begins, and the claimant sells the dwelling and buys a new
34 residential dwelling in this state on or before December 31 of the
35 following fiscal year and the new dwelling is the claimant's
36 principal place of residence, then in that event, the claimant shall
37 be deemed to be a qualified claimant for the purpose of this section.
38 These regulations shall become effective immediately upon filing
39 with the Secretary of State.

1 *SEC. 28. Section 20590 is added to the Revenue and Taxation*
2 *Code, to read:*

3 20590. “Household” includes the claimant and all other
4 persons, except bona fide renters, minors, or students (as defined
5 by Section 151(c)(4) of the Internal Revenue Code), whose
6 principal place of residence is the residential dwelling of the
7 claimant.

8 *SEC. 29. Section 20591 is added to the Revenue and Taxation*
9 *Code, to read:*

10 20591. (a) A claimant shall not lose his or her eligibility for
11 property tax postponement if he or she is temporarily confined to
12 a hospital or medical institution for medical reasons where the
13 residential dwelling was the principal place of residence of the
14 claimant immediately prior to the confinement.

15 (b) For purposes of this section, “medical institution” means
16 a facility operated by, or licensed by, the United States, one of the
17 several states, a political subdivision of a state, the State
18 Department of Health Care Services, or exempt from such licensure
19 pursuant to subdivision (c) of Section 1312 of the Health and Safety
20 Code.

21 *SEC. 30. Section 20602 of the Revenue and Taxation Code is*
22 *repealed.*

23 ~~20602. (a) Upon approval of a claim described in Section~~
24 ~~20601, the Controller may do either of the following:~~

25 ~~(1) Make payments directly to a lender, mortgage company,~~
26 ~~escrow company, or county tax collector for the property taxes~~
27 ~~owed on behalf of a qualified claimant. Payments may, upon~~
28 ~~appropriation by the Legislature, be made out of the amounts~~
29 ~~otherwise appropriated pursuant to Section 16100 of the~~
30 ~~Government Code that are secured by a lien and obligation as~~
31 ~~specified by Article 1 (commencing with Section 16180) of Chapter~~
32 ~~5 of Division 4 of the Government Code.~~

33 ~~(2) Issue to the claimant a certificate of eligibility, which shall~~
34 ~~consist of two parts, both of which shall contain the name of the~~
35 ~~claimant, the address of the residential dwelling on which the~~
36 ~~claimant has applied for property tax postponement, and that other~~
37 ~~information and in that form as the Controller shall prescribe. In~~
38 ~~the event that that residential dwelling is located in a chartered~~
39 ~~city which levies and collects its own taxes, the Controller shall~~
40 ~~issue a duplicate certificate of eligibility to pay all or any part of~~

1 the property taxes appearing on that city's tax bill. Each part of a
2 certificate of eligibility shall be payable in an unspecified amount
3 and shall contain statements to identify the property tax installment
4 to which it may be applied.

5 (b) The Controller shall prescribe the form of the certificates of
6 eligibility to pay all delinquent taxes and assessments authorized
7 by this chapter.

8 Upon or accompanying each certificate shall be a brief statement
9 explaining that (1) those taxpayers whose property taxes are paid
10 by a lender via an impound, trust or other similar account should
11 enter the total amount of each installment on their respective
12 certificates and mail both certificates to the tax collector at the
13 same time, and (2) those taxpayers will receive a refund check
14 from the county or city in the amount they entered on each
15 certificate, within 30 days following the date on which the
16 installment is paid by the lender or the certificate of eligibility is
17 received by the tax collector, whichever is later, and (3) the intent
18 of this procedure is to make sure the taxes on the claimant's
19 dwelling are not paid twice.

20 (c) When a certificate of eligibility has been signed by the
21 claimant, his or her spouse, or authorized agent and countersigned
22 by the person authorized to collect property taxes or assessments
23 for the local agency, such certificate shall constitute a written
24 promise on the part of the State of California to pay the sum of
25 money specified therein and such signed and countersigned
26 certificate shall be deemed a negotiable instrument for the sole
27 purpose of the payment of property taxes owing in the name of
28 the claimant or his or her spouse for purposes of all laws of this
29 state.

30 (d) A certificate of eligibility shall be valid for the duration
31 prescribed thereon by the Controller.

32 (e) The Controller shall issue certificates of eligibility claims
33 approved on or before September 30 between October 15 and
34 November 1 of the fiscal year for which postponement is claimed.
35 Certificates for claims approved after September 30 shall be issued
36 at such times as the Controller determines will best implement the
37 purpose of this chapter.

38 (f) The Controller shall prescribe the manner in which a claimant
39 eligible under this chapter, who has been issued a certificate of
40 eligibility which is lost or destroyed prior to being filed with the

1 ~~local agency pursuant to subdivision (b) may obtain a duplicate~~
2 ~~copy of said certificate as a replacement. (Under such conditions~~
3 ~~as may be prescribed by the Controller, a duplicate copy shall be~~
4 ~~deemed as having been filed with the local agency as of the date~~
5 ~~a claimant requests issuance of such duplicate copy.)~~

6 *SEC. 31. Section 20602 is added to the Revenue and Taxation*
7 *Code, to read:*

8 *20602. (a) Upon approval of a claim described in Section*
9 *20601, the county tax collector shall provide verification that the*
10 *“notice of lien for postponed property taxes” has been filed in a*
11 *manner prescribed by the Controller and shall provide to the*
12 *Controller the amount of the claimant’s taxes due.*

13 *(b) Upon receipt of the verification required by subdivision (a),*
14 *the Controller shall issue a property tax postponement payment*
15 *on behalf of a qualified claimant in a manner prescribed by the*
16 *Controller.*

17 *(c) The Controller shall be indemnified from any losses that*
18 *result from the inaccurate filing of the “notice of lien for postponed*
19 *property taxes” by the county tax collector, assessor, or county*
20 *recorder.*

21 *SEC. 32. Section 20605 of the Revenue and Taxation Code is*
22 *amended to read:*

23 *20605. (a) The postponement of property taxes pursuant to*
24 *this chapter shall not affect the obligation of a borrower to continue*
25 *to make payments to a lender with respect to an impound, trust,*
26 *or other type of account described in Section 2954 of the Civil*
27 *Code which was established prior to the effective date of*
28 *subdivision (b).*

29 *(b) Except where required by federal law or regulation and*
30 *notwithstanding Sections 7153.2 and 7153.8 of the Financial Code,*
31 *or in the case of a loan which is made, guaranteed, or insured by*
32 *a federal government lending or insuring agency requiring the*
33 *borrower to make payments to a lender with respect to an impound,*
34 *trust, or other type of account described in Section 2954 of the*
35 *Civil Code, or where this subdivision would impair the obligations*
36 *of a loan agreement executed prior to the effective date of this*
37 *subdivision, no lender shall require a borrower to maintain an*
38 *impound, trust or other type of account with regard to taxes once*
39 *such borrower has elected to postpone such taxes pursuant to this*
40 *chapter and has first submitted to such lender evidence of tax*

1 postponement. Any payments made by such borrower, prior to the
2 time of submission of such evidence of tax postponement, to such
3 an impound, trust or other type of account with regard to taxes for
4 any such period, if not previously used in payment or partial
5 payment of such taxes, shall be refunded to such borrower within
6 thirty days thereafter.

7 *(c) (1) A mortgagee, trustee, or other person authorized to take*
8 *sale on real property due to the mortgagor's or trustor's failure*
9 *to pay property taxes shall not file notice of default for five years*
10 *following the initial authorization to take sale if the mortgagor or*
11 *trustor provides evidence of participation in the property tax*
12 *postponement program established pursuant to Section 16180 of*
13 *the Government Code.*

14 *(2) Notwithstanding subdivision (b), no lender shall require a*
15 *borrower to maintain an impound, trust, or other type of account*
16 *with regard to taxes for a borrower who provides evidence of*
17 *participation in the property tax deferral program.*

18 *(3) Written confirmation from the Controller identifying the*
19 *individual as a participant in the program shall be considered*
20 *evidence of participation in the property tax postponement program*
21 *for purposes of this section. The Controller shall provide written*
22 *notice to individuals that participated in the program during 2008*
23 *or 2009 for use as evidence of participation.*

24 *SEC. 33. Section 20621 of the Revenue and Taxation Code is*
25 *amended to read:*

26 20621. Each claimant applying for postponement under Article
27 2 (commencing with Section 20601) shall file a claim under penalty
28 of perjury with the Controller on a form supplied by the Controller.
29 The claim shall contain all of the following:

30 (a) Evidence acceptable to the Controller that the person was a
31 “senior citizen claimant” or a “blind or disabled claimant.”

32 (b) A statement showing the household income for the period
33 set forth in Section 20503.

34 (c) A statement describing the residential dwelling in a manner
35 that the Controller may prescribe.

36 (d) The name of the county in which the residential dwelling is
37 located and the address of the residential dwelling.

38 (e) The county assessor's parcel number applicable to the
39 property for which the claimant is applying for the postponement
40 of property taxes.

(f) ~~(f)~~ Documentation evidencing the current existence of any abstract of judgment, federal tax lien, or state tax lien filed or recorded against the applicant, and any recorded mortgage or deed of trust that affects the subject residential dwelling, for the purpose of determining that the claimant possesses a ~~20-percent~~ 30-percent equity in the subject residential dwelling as required by paragraph (1) of subdivision ~~(b)~~ (e) of Section 20583.

~~(2) Actual costs, not in excess of fifty dollars (\$50), paid by the claimant to obtain the documentation shall, in the event the Controller issues a certificate of eligibility, reduce the amount of the lien for the year, but not the face amount of the payment prescribed in Section 16180 of the Government Code.~~

~~(g) Authorization for the Controller to pay the claimant's property taxes, if approved, and promising repayment of the loan as provided by Section 16190 of the Government Code.~~

~~(g)~~

(h) Other information required by the Controller to establish eligibility.

SEC. 34. Section 20622 of the Revenue and Taxation Code is amended to read:

20622. (a) The claim for postponement shall be filed after ~~May 15~~ July 1 of the calendar year in which the fiscal year for which postponement is claimed begins, and on or before ~~December 10~~ September 30 of that fiscal year; if ~~December 10~~ September 30 falls on Saturday, Sunday, or a legal holiday, the date is extended to the next business day. Any claim for postponement filed after September 30, and on or before June 30, may be considered for good cause.

(b) Any claims for postponement for the 2009–10 fiscal year shall be filed after the effective date of the act adding this section and on or before April 9, 2010.

SEC. 35. Section 20623 of the Revenue and Taxation Code is repealed.

~~20623. No person shall file a claim for postponement under this chapter on or after the effective date of the act adding this section, and the Controller shall not accept applications for postponement under this chapter on or after that date.~~

SEC. 36. Chapter 3 (commencing with Section 20625) of Part 10.5 of Division 2 of the Revenue and Taxation Code is repealed.

1 *SEC. 37. Section 20639.1 of the Revenue and Taxation Code*
2 *is amended to read:*

3 20639.1. (a) Unless the context otherwise requires or unless
4 otherwise provided in this chapter, the definitions given in Chapter
5 1 (commencing with Section 20501) and Chapter 2 (commencing
6 with Section 20581) shall govern the construction of this chapter.

7 (b) Unless the context otherwise dictates or unless otherwise
8 provided in this chapter, the provisions of Chapter 1 (commencing
9 with Section 101) and Chapter 2 (commencing with Section 155)
10 of Part 1 of Division 1 of this code, Section 2931c of the Civil
11 Code, Chapter 4.5 (commencing with Section 14735) of Part 5.5
12 of Division 3 of Title 2 of the Government Code, Chapter 6
13 (commencing with Section 16180) of Part 1 of Division 4 of Title
14 2 of the Government Code, Division 13 (commencing with Section
15 17000) of the Health and Safety Code, and Division 9
16 (commencing with Section 9101) of the Commercial Code shall
17 be applicable to property tax postponements made pursuant to this
18 chapter.

19 *SEC. 38. Section 20639.6 of the Revenue and Taxation Code*
20 *is amended to read:*

21 20639.6. (a) Upon receipt of the information described in
22 Section 20639.9, the Controller shall determine whether the state's
23 interest would be adequately protected if postponement is granted,
24 and, if so, the Controller shall issue ~~to the claimant a certificate of~~
25 ~~eligibility containing the name of the claimant, address of the~~
26 ~~residential dwelling on which the claimant has applied for property~~
27 ~~tax postponement, and such other information and in such form~~
28 ~~as the Controller shall prescribe. In the event that the residential~~
29 ~~dwelling is located in a chartered city which levies and collects its~~
30 ~~own taxes, the Controller shall issue a duplicate certificate of~~
31 ~~eligibility to pay all or any part of property taxes appearing on the~~
32 ~~city's tax bill a property tax postponement payment as provided~~
33 ~~by Section 20602.~~

34 (b) The Controller shall forward to the Department of Housing
35 and Community Development a notice of lien notifying the
36 department that the mobilehome described in the statement has
37 been approved for property tax postponement. The notice shall be
38 in the form and contain the information prescribed by the Controller
39 secure a lien against the mobilehome that is sufficient to secure
40 the state's interest in loan repayment.

1 ~~(e) The department, upon receipt of the notice, shall amend the~~
2 ~~permanent title record of the mobilehome to record the fact that~~
3 ~~postponement has been approved.~~

4 ~~(d) The Controller shall prescribe the form of certificates of~~
5 ~~eligibility to pay all taxes and assessments authorized by this~~
6 ~~chapter.~~

7 ~~Upon or accompanying the certificates shall be a brief statement~~
8 ~~explaining that, those taxpayers whose property taxes are paid by~~
9 ~~a lender via an impound, trust, or other similar account shall enter~~
10 ~~the total amount of each installment on the certificates and mail~~
11 ~~the certificates to the tax collector and that they will receive a~~
12 ~~refund check from the county or city in the amount they entered~~
13 ~~on the certificate, within 30 days following the date on which the~~
14 ~~installment is paid by the lender or the certificate of eligibility is~~
15 ~~received by the tax collector, whichever is later.~~

16 ~~(e) When a certificate of eligibility has been signed by the~~
17 ~~claimant, the claimant's spouse, or authorized agent and~~
18 ~~countersigned by the person authorized to collect property taxes~~
19 ~~or assessments or the local agency, the certificate shall constitute~~
20 ~~a written promise on the part of the State of California to pay the~~
21 ~~sum of money specified therein and the signed and countersigned~~
22 ~~certificate shall be deemed a negotiable instrument for the sole~~
23 ~~purpose of the payment of property taxes owing in the name of~~
24 ~~the claimant or the claimant's spouse for purposes of all laws of~~
25 ~~this state.~~

26 ~~(f) A certificate of eligibility shall be valid for the duration~~
27 ~~prescribed thereon by the Controller.~~

28 ~~(g) The Controller shall issue certificates of eligibility at the~~
29 ~~times the Controller determines shall best implement the purpose~~
30 ~~of this chapter.~~

31 ~~(h) The Controller shall prescribe the manner in which a~~
32 ~~claimant eligible under this chapter, who has been issued a~~
33 ~~certificate of eligibility which is lost or destroyed prior to being~~
34 ~~filed with the local agency may obtain a duplicate copy of the~~
35 ~~certificate as a replacement. Under the conditions which may be~~
36 ~~prescribed by the Controller, a duplicate copy shall be deemed as~~
37 ~~having been filed with the local agency as of the date a claimant~~
38 ~~requests issuance of the duplicate copy.~~

39 ~~SEC. 39. Section 20639.8 of the Revenue and Taxation Code~~
40 ~~is amended to read:~~

1 20639.8. The claim for postponement shall be filed ~~after May~~
2 ~~15 of the calendar year in which the fiscal year for which~~
3 ~~postponement is claimed begins, and on or before December 10~~
4 ~~of such fiscal year pursuant to Section 20622.~~

5 SEC. 40. Section 20639.9 of the Revenue and Taxation Code
6 is amended to read:

7 20639.9. Each claimant applying for postponement under this
8 chapter shall file a claim under penalty of perjury ~~with the~~
9 ~~Controller on a form supplied by the Controller. The claim shall~~
10 ~~contain all of the following information as provided by Section~~
11 ~~20621. A claim filed under this chapter shall also include both of~~
12 ~~the following:~~

13 ~~(a) Evidence acceptable to the Controller that the person is a~~
14 ~~senior citizen claimant.~~

15 ~~(b) A statement showing the household income for the period~~
16 ~~set forth in Section 20503.~~

17 ~~(c) A statement describing the residential dwelling in the manner~~
18 ~~the Controller may prescribe.~~

19 ~~(d) The name of the county in which the residential dwelling is~~
20 ~~located and the address of the residential dwelling.~~

21 ~~(e) The county assessor's parcel number applicable to the~~
22 ~~property for which the claimant is applying for the postponement~~
23 ~~of property taxes.~~

24 ~~(f)~~

25 ~~(a)~~ A copy of the Certificate of Title issued by the Department
26 of Housing and Community Development or the certificate of
27 ownership issued by the Department of Motor Vehicles.

28 ~~(g)~~

29 ~~(b)~~ A copy of the registration card issued by the Department of
30 Housing and Community Development or the Department of Motor
31 Vehicles.

32 ~~(h) Other information required by the Controller to establish~~
33 ~~eligibility.~~

34 SEC. 41. Section 20639.11 of the Revenue and Taxation Code
35 is amended to read:

36 20639.11. All amounts postponed pursuant to this chapter shall
37 ~~be due if any of the following occurs:~~ *become due and payable as*
38 *provided by Sections 16180 and 16190 of the Government Code.*

1 ~~(a) The claimant ceases to occupy the residential dwelling as~~
2 ~~the principal place of residence, sells or otherwise disposes of his~~
3 ~~or her mobilehome.~~

4 ~~(b) The claimant dies. However, if the surviving spouse or~~
5 ~~another person eligible to postpone pursuant to this chapter~~
6 ~~continues to occupy the mobilehome, then the postponed amounts~~
7 ~~shall not be due unless such person dies or ceases to occupy the~~
8 ~~residential dwelling.~~

9 ~~(c) The failure of a claimant to perform those acts required by~~
10 ~~the legal owner or junior lienholder.~~

11 ~~(d) The claimant allows any subsequent taxes to remain unpaid~~
12 ~~or to be transferred to the unsecured roll.~~

13 ~~(e) Postponement was erroneously allowed because eligibility~~
14 ~~requirements were not met.~~

15 *SEC. 42. Section 20640.1 of the Revenue and Taxation Code*
16 *is amended to read:*

17 20640.1. (a) Unless the context otherwise requires or unless
18 otherwise provided in this chapter, the definitions given in Chapter
19 ~~1 (commencing with Section 20501) and Chapter 2 (commencing~~
20 ~~with Section 20581) shall govern the construction of this chapter.~~

21 (b) Unless the context otherwise dictates or unless otherwise
22 provided in this chapter, the provisions of Chapter ~~1 and Chapter~~
23 ~~2 of this code 2 (commencing with Section 20581), Civil Code~~
24 ~~Section 2924b, Civil Code Section 2931c, Chapter 4.5~~
25 ~~(commencing with Section 14735) of Part 5.5 of Division 3 of~~
26 ~~Title 2 of the Government Code, Chapter 6 (commencing with~~
27 ~~Section 16180) of Part 1 of Division 4 of Title 2 of the Government~~
28 ~~Code shall be applicable to property tax postponements made~~
29 ~~pursuant to this chapter.~~

30 *SEC. 43. Section 20640.3 of the Revenue and Taxation Code*
31 *is amended to read:*

32 20640.3. A claimant is an individual who *does all of the*
33 *following:*

34 (a) Holds a right to a possessory interest pursuant to a validly
35 recorded instrument conveying such possessory interest for a term
36 of years no less than 45 years beyond the last day of the calendar
37 year ending immediately prior to the fiscal year for which taxes
38 are initially ~~postponed~~; *postponed*.

39 (b) Occupies as a principal place of residence the residential
40 dwelling affixed to such possessory interest real property on the

1 last day of the year designated in ~~Section 20503(e) of this code;~~
2 *in subdivision (c) of Section 20503.*

3 (c) ~~Is 62 years of age or older on or before December 31 of the~~
4 ~~fiscal year for which postponement is claimed~~ *Satisfies the*
5 *requirements specified in paragraph (1) or (2) of subdivision (a)*
6 *of Section 20589.*

7 *SEC. 44. Section 20640.4 of the Revenue and Taxation Code*
8 *is amended to read:*

9 20640.4. (a) Subject to the limitations provided in Chapter 4
10 ~~(commencing with Section 20501), Chapter 2 (commencing with~~
11 ~~Section 20581), or this chapter, a claimant may file with the~~
12 ~~Controller, a claim for postponement of a sum equal to, but not~~
13 ~~exceeding the amount of property taxes, for the fiscal year for~~
14 ~~which the claim is made.~~

15 (b) Upon verification of the eligibility requirements set forth in
16 Section 20640.9 the Controller shall mail the claimant a Notice of
17 Election to Postpone which shall be in the form and contain such
18 information as the Controller may prescribe. Accompanying the
19 notice shall be a statement explaining that in order for the claimant
20 to postpone all or part of the property taxes, the Notice of Election
21 to Postpone must be mailed to the Controller with a copy of the
22 instrument creating the possessory interest, said copy to be certified
23 by the county recorder of the county in which such real property
24 is located. Where a memorandum of lease has been recorded in
25 lieu of such instrument, a certified copy of said memorandum shall
26 accompany the copy of the instrument creating the possessory
27 interest.

28 (c) (1) Except as provided in this section, any possessory
29 interest or improvement on which property taxes are delinquent
30 at the time the application for postponement under this chapter is
31 made or on which any other property tax or special assessment
32 imposed by a special district or other tax code area are delinquent
33 at the time the application for postponement under this chapter is
34 made shall not be eligible for postponement.

35 (2) For 1978–79 and thereafter, any taxes or assessments which
36 became delinquent after the claimant was 62 and before a lien is
37 established pursuant to Section 16182 of the Government Code
38 shall not disqualify an otherwise eligible claimant for postponement
39 under this chapter. An application to postpone taxes for 1978–79
40 or thereafter also constitutes an application for postponement of

1 all such delinquent taxes and assessments, together with any
2 penalties, interest, fees, or other charges resulting from such
3 delinquency and such amounts shall, unless otherwise paid by the
4 claimant, be paid out of the amount appropriated by Section 16100
5 of the Government Code and shall be added to and become part
6 of the obligation secured by the lien provided by Section 16182
7 of the Government Code.

8 (d) The Controller shall mail to claimant for due execution the
9 appropriate security instrument for claimant's form of lease,
10 including the consent to assignment required by Section
11 20640.5(b).

12 *SEC. 45. Section 20640.6 of the Revenue and Taxation Code*
13 *is amended to read:*

14 20640.6. (a) Upon receipt of the information described in
15 Section 20640.4 and Section 20640.5, the State Controller shall
16 determine whether the state's interest would be adequately
17 protected if postponement is granted, and if so, shall issue to the
18 claimant a certificate of eligibility containing the name of claimant,
19 address of the residential dwelling on which the claimant has
20 applied for property tax postponement, and any other information
21 and in the form as the State Controller shall prescribe. In the event
22 that the residential dwelling is located in a chartered city which
23 levies and collects its own taxes, the Controller shall issue a
24 duplicate certificate of eligibility to pay all or any part of property
25 taxes appearing on the city's tax bill a property tax postponement
26 payment as provided by Section 20602.

27 (b) The Controller shall cause to be recorded with the county
28 recorder of the county in which the real property is located, a copy
29 of any instrument creating a security interest, which shall include
30 applicable consent forms, in favor of the state. The instrument
31 shall contain a legal description of the real property subject to the
32 possessory interest; and, if the legal description of the possessory
33 interest describes an area less than the entire property ownership,
34 the notice or document shall also contain a reference to the record
35 of the acquisition instrument to the entire parcel from which the
36 possessory interest was created. The priority of the security interest
37 shall be as of the date of recordation secure a lien against the
38 possessory interest that is sufficient to secure the state's interest
39 in loan repayment.

~~(e) The Controller shall prescribe the form of certificates of eligibility to pay all delinquent taxes and assessments authorized by this chapter.~~

~~Upon or accompanying each certificate shall be a brief statement explaining that (1) those taxpayers whose property taxes are paid by a lender via an impound, trust or other similar account should enter the total amount of each installment on the certificates and mail the certificates to the tax collector and (2) those taxpayers will receive a refund check from the county or city in the amount they entered on the certificate, within 30 days following the date on which the installment is paid by the lender or the certificate of eligibility is received by the tax collector, whichever is later.~~

~~(d) When a certificate of eligibility has been signed by the claimant, his or her spouse, or authorized agent and countersigned by the person authorized to collect property taxes or assessments for the local agency, the certificate shall constitute a written promise on the part of the State of California to pay the sum of money specified therein and the signed and countersigned certificate shall be deemed a negotiable instrument for the sole purpose of the payment of property taxes owing in the name of the claimant or his or her spouse for purposes of all laws of this state.~~

~~(e) A certificate of eligibility shall be valid for the duration prescribed thereon by the Controller.~~

~~(f) The Controller shall issue certificates of eligibility at such times as the Controller determines will best implement the purpose of this chapter.~~

~~(g) The Controller shall prescribe the manner in which a claimant eligible under this chapter, who has been issued a certificate of eligibility which is lost or destroyed prior to being filed with the local agency may obtain a duplicate copy of the certificate as a replacement. (Under conditions as may be prescribed by the Controller, a duplicate copy shall be deemed as having been filed with the local agency as of the date a claimant requests issuance of a duplicate copy.)~~

~~SEC. 46. Section 20640.8 of the Revenue and Taxation Code is amended to read:~~

~~20640.8. The claim for postponement shall be filed after May 15 of the calendar year in which the fiscal year for which postponement is claimed begins, and on or before December 10~~

1 of such fiscal year. If December 10th falls on Saturday, Sunday
2 or a legal holiday, the date is extended to the next business day
3 pursuant to Section 20622.

4 SEC. 47. Section 20640.9 of the Revenue and Taxation Code
5 is amended to read:

6 20640.9. Each claimant applying for postponement under this
7 chapter shall file a claim under penalty of perjury with the
8 Controller on a form supplied by the Controller. The claim shall
9 contain: pursuant to Section 20621.

10 (a) Evidence acceptable to the Controller that the person was a
11 “senior citizen claimant.”

12 (b) A statement showing the household income for the period
13 set forth in Section 20503.

14 (c) A statement describing the residential dwelling in such
15 manner as the Controller may prescribe.

16 (d) The name of the county in which the residential dwelling is
17 located and the address of the residential dwelling.

18 (e) The county assessor’s parcel number applicable to the
19 property for which the claimant is applying for the postponement
20 of property taxes.

21 (f) Other information required by the State Controller to
22 establish eligibility.

23 SEC. 48. Section 20640.11 of the Revenue and Taxation Code
24 is amended to read:

25 20640.11. All amounts postponed pursuant to this chapter shall
26 be due if any of the following occurs: become due and payable as
27 provided by Sections 16180 and 16190 of the Government Code.

28 (a) The claimant ceases to occupy the residential dwelling as
29 the principal place of residence, sells or otherwise disposes of his
30 possessory interest, or the possessory interest agreement expires
31 by its terms.

32 (b) The claimant dies. However, if the surviving spouse or
33 another person eligible to postpone pursuant to this chapter
34 continues to occupy the residential dwelling, then the postponed
35 amounts shall not be due unless such person dies, or ceases to
36 occupy the residential dwelling.

37 (c) The failure of the claimant, the fee title owner, or any owner
38 of a prior recorded possessory interest to perform those acts
39 required by a security interest holder which is senior to the state’s
40 security interest for postponed amounts.

1 ~~(d) Postponement was erroneously allowed because eligibility~~
2 ~~requirements were not met.~~

3 *SEC. 49. Section 20641 of the Revenue and Taxation Code is*
4 *amended to read:*

5 20641. Forms filed pursuant to this part shall not be under oath
6 but shall contain, or be verified by, a written declaration that they
7 are made under the penalty of perjury. All forms filed pursuant to
8 Chapter 1 (commencing with Section 20501) shall require such
9 information as the Franchise Tax Board may from time to time
10 prescribe, and shall be filed with the Franchise Tax Board. The
11 Franchise Tax Board shall prepare blank forms for the claimant
12 and shall distribute them throughout the state and furnish them
13 upon application. All forms filed pursuant to Chapter 2
14 (commencing with Section 20581), ~~Chapter 3 (commencing with~~
15 ~~Section 20625), Chapter 3.3 (commencing with Section 20639),~~
16 or Chapter 3.5 (commencing with Section 20640), shall require
17 such information as the Controller may from time to time prescribe,
18 shall be filed with the Controller, and the Controller shall prepare
19 such blank forms for the claimant and shall distribute them
20 throughout the state and furnish them upon application.

21 *SEC. 50. Section 20643 of the Revenue and Taxation Code is*
22 *amended to read:*

23 20643. If any claimant fails or refuses to furnish any
24 information requested in writing by the Franchise Tax Board,
25 pursuant to this part, Chapter 1 (commencing with Section 20501),
26 or by the Controller, pursuant to Chapter 2 (commencing with
27 Section 20581), ~~Chapter 3 (commencing with Section 20625),~~
28 ~~Chapter 3.3 (commencing with Section 20639),~~ or Chapter 3.5
29 (commencing with Section 20640) or files a fraudulent claim, the
30 assistance or postponement authorized by this part shall be
31 disallowed.

32 *SEC. 51. Section 20648 is added to the Revenue and Taxation*
33 *Code, to read:*

34 20648. For the 2009–10 and 2010–11 fiscal years, if a
35 postponement claim is filed under Chapter 2 (commencing with
36 Section 20581), Chapter 3.3 (commencing with Section 20639),
37 or Chapter 3.5 (commencing with Section 20640), the tax collector
38 may cancel any delinquent penalties and interest owed by the
39 claimant for those fiscal years.

1 ~~SECTION 1. Section 470.5 of the Business and Professions~~
2 ~~Code is amended to read:~~

3 ~~470.5. (a) On and after January 1, 2006, as described in Section~~
4 ~~68085.1 of the Government Code, the Administrative Office of~~
5 ~~the Courts shall make monthly distributions from superior court~~
6 ~~filing fees for the support of dispute resolution programs under~~
7 ~~this chapter in each county that has acted to establish a program.~~
8 ~~The amount distributed in each county shall be equal to the~~
9 ~~following:~~

10 ~~(1) From each first paper filing fee collected by the court as~~
11 ~~provided under Section 70611 or 70612, subdivision (a) of Section~~
12 ~~70613, subdivision (a) of Section 70614, or Section 70670 of the~~
13 ~~Government Code, and each first paper or petition filing fee~~
14 ~~collected by the court in a probate matter as provided under Section~~
15 ~~70650, 70651, 70652, 70653, or 70655 of the Government Code,~~
16 ~~the same amount as was required to be collected for the support~~
17 ~~of dispute resolution programs in that county as of December 31,~~
18 ~~2005, when a fee was collected for the filing of a first paper in a~~
19 ~~civil action under Section 26820.4 of the Government Code.~~

20 ~~(2) From each first paper filing fee in a limited civil case~~
21 ~~collected by the court as provided under subdivision (b) of Section~~
22 ~~70613 or subdivision (b) of Section 70614 of the Government~~
23 ~~Code, and each first paper or petition filing fee collected by the~~
24 ~~court in a probate matter as provided under Section 70654, 70656,~~
25 ~~or 70658 of the Government Code, the same amount as was~~
26 ~~required to be collected for the support of dispute resolution~~
27 ~~programs in that county as of December 31, 2005, when a fee was~~
28 ~~collected for the filing of a first paper in a civil action under Section~~
29 ~~72055 of the Government Code where the amount demanded,~~
30 ~~excluding attorney's fees and costs, was ten thousand dollars~~
31 ~~(\$10,000) or less.~~

32 ~~(b) Distributions under this section shall be used only for the~~
33 ~~support of dispute resolution programs authorized by this chapter.~~
34 ~~The county shall deposit the amounts distributed under this section~~
35 ~~in an account created and maintained for this purpose by the~~
36 ~~county. Records of these distributions shall be available for~~
37 ~~inspection by the public upon request.~~

38 ~~(c) After January 1, 2006, a county that does not already have~~
39 ~~a distribution from superior court filing fees under this section and~~
40 ~~that establishes a dispute resolution program authorized by this~~

~~chapter may approve a distribution under this section. A county that already has a distribution under this section may change the amount of the distribution. The total amount to be distributed for the support of dispute resolution programs under this section may not exceed _____ dollars (\$_____) per filing fee.~~

~~(d) The county may make changes under subdivision (c) to be effective January 1 or July 1 of any year, on and after January 1, 2006. The county shall provide the Administrative Office of the Courts with a copy of the action of the board of supervisors that establishes the change at least 15 days before the date that the change goes into effect.~~

CORRECTIONS:

Digest— Page 3.

Digest Key.